

Pickering & Butters LLP Interest Policy

As part of carrying out your instructions to us, we may need to hold your money in our client account. In holding client's money, we have an obligation to pay interest on that money at a fair and reasonable rate and are required to put in place an interest policy; this policy sets out the guidelines for when interest will be paid and is summarised below.

We aim to account to you for interest at a reasonable rate of interest however as the holding of your funds is incidental to the carrying out of your legal instructions, the rate is unlikely to be as high as the rate you may be able to obtain when depositing the money we hold on your behalf yourself. In most cases we must ensure that money held on client account is immediately available and so the need for instant access is taken into account when setting the rate of interest payable by us.

We align our interest rates paid on both monies held on general client account and separate designated deposit account to the Lloyds TSB Bank PLC client account rate that is appropriate, assuming that this will offer a fair and reasonable outcome for the client and the firm. This rate is likely to change from time to time.

Under the European Savings Directive regulations 2003/48/EC we are required to inform HMRC of payments of interest to relevant payees and residual entities in prescribed territories. Where you reside outside the UK and EC, we are required to deduct income tax at the current basic rate and account for this interest to HMRC directly and pay you the net amount. In all other cases interest is paid gross and you will be responsible for accounting to HMRC in respect of that interest.

Interest will be calculated from the time the funds become cleared for interest purposes, on cheques or banker's drafts this will be 4 days after the cheque or draft has been deposited with our bank. For amounts received by debit or credit card, interest will start to accrue from the date of the actual receipt, usually 4 days after the transaction has been authorised. For direct transfers or same day payments the funds become cleared on the day after receipt. Interest will be calculated on a daily basis and calculated on amounts held overnight from the day the funds become cleared for interest purposes.

Interest will not be paid if the sum of money held does not exceed the amount shown in the left column below for a time not exceeding the period indicated in the right column:

Amount	Period
£1,000	8 weeks
£2,000	4 weeks
£10,000	2 weeks
£20,000	1 week

Interest will not be paid if the **total** amount calculated for the period that cleared funds are held is less than £20.00.

Interest will be calculated at the end of the matter and will credit the client ledger at that date.